

Budget Address to Louisville Metro Council, May 25, 2006 **“A Blueprint for Our Future”**

By Mayor Jerry E. Abramson

I appreciate the opportunity to join you this afternoon and present my budget for the year ahead.

Think of it as a game plan ...

... a blueprint for progress...

... a map for charting our course to the future ...

... building on the strong foundation we have laid together and the ambitious goals that we have established together for our new city of Louisville over the past 3 years.

It comes at an exciting time for our community. Can you remember a more exciting time for our hometown, whether you are...

- Flying high over the latest announcement about thousands of new jobs
 - Or are delighted by the latest signs of downtown's renaissance...from a new arena ... to expanded housing options ... to a dazzling new skyscraper ...on the horizon?
- ...Whether you are:
- Excited about our expanding city of parks ...
 - Elated about library improvements and new bicycle paths ...
 - Or committed to important new initiatives in public protection, police, fire and EMS that will provide the best possible service to the citizens of our community?

Great things don't happen by accident. I passed a church last week that had this message posted on its sign out front:

“Plan ahead,” the sign said. “It wasn't raining when Noah built the ark.”

The message hit home because we have planned ahead here in Louisville. We have invested -- made down payments on our dreams -- and today we see them pay dividends.

One of the best examples came the same day I saw that church sign last week -- as UPS announced plans for a \$1 billion expansion here in our hometown, adding 5,000 jobs....one of the largest business expansions in Kentucky history.

Over the past 20 years, we did plan ahead here in Louisville, Kentucky, and thereby pave the way for the growth of UPS. We made thoughtful decisions and investments that helped a fledgling air-package delivery operation become the largest private employer in Kentucky. We made the difficult decision to expand our airport in the '80s. We created the innovative Metropolitan College program in the late '90s to meet UPS workforce needs. And that planning not only paved the way for UPS to expand, UPS became a catalyst for more than 90 other businesses to locate or expand here to be nearby.

On the day we made the announcement, I spoke with Mike Eskew, the UPS CEO and board chair. Yes, he said, Louisville has been a great place, over the long term, to do business. But it goes beyond that, he said -- to community support and our overall quality of life.

“Our people love to live there and raise their families there,” Mike Eskew told me from his office in Atlanta. “Louisville is a special place for us.” Louisville, of course, is a special place for all of us.

The budget I bring you today plans ahead – to ensure the special place we call home continues to soar... well, as high as those UPS jets.

It is a balanced budget that fulfills my pledge: no tax increases, no cuts in services.

But a balanced budget is more than addition and subtraction with dollar signs. It is a blueprint for our future that balances priorities and promises, values and vision, that balances spending for today's needs with investments that plan ahead ... for tomorrow.

Let me briefly frame up the financial picture our city faces this year ... then run down key points in this blueprint for our future.

FIRST, a financial overview. This budget anticipates that in the year ahead city revenue – the money we will have to spend -- will grow by roughly 3½ percent.

This budget provides modest raises for city employees. And all fulltime non-union employees earning less than \$11 an hour will see their pay brought up to that level.

As in the last 3 years, we face steep increases in our costs for employee health insurance -- \$4 million -- and our contribution to employee pensions -- another \$7 million. In addition, as gasoline prices continue to rise, we feel the pinch: city vehicles use 3 million gallons a year.

At the same time, we face continued cuts in federal funding – funding that in the past has paid for initiatives like police officers in schools ... job-training ... drop-out prevention programs ... domestic-violence victim advocates ... and nurses who work with low-income children and their parents. Funds for federal community development block grants that help cities improve disadvantaged neighborhoods also continue to decline.

You remember that sign that U.S. President Harry Truman was famous for keeping on his desk: "The buck stops here?" Well, the sign in Washington today must say something like: "The buck passes here."

Cities don't have the resources to fill multi-million-dollar federal funding gaps. The budget I present today stretches to keep some of these important programs alive. For example, we will share costs with Jefferson County Public Schools to keep that LEEP dropout prevention program up-and-running -- and to retain police officers in schools. But we cannot begin to cover all the federal cuts.

Over the past 3 years, as a result of merger, we have streamlined our local government workforce. This year we will trim about 35 positions. Altogether, over the past 3 years, we have cut our local government workforce by about 10 percent -- a total of approximately 735 positions.

Even with those cuts, it is important to keep in mind that personnel costs make up an increasing share of our budget -- nearly 70 percent of all operating expenses. That's like having 70 percent of your pay check, your revenue source, going for a fixed commitment like your rent or a mortgage payment.

You have to be smart – think strategically -- about how you spend the other 30 percent. One new way we are meeting that challenge this year is by drafting for the first time a 5-year plan for capital improvements – investments like land for a new animal-services adoption center; more video cameras to help police deter crime in targeted neighborhoods; upgrades to the Belle of

Louisville to be made over the next few years; improvements to streets and roads throughout our community; renovation and expansion of our Main Library children's section ... and more.

In the past, Louisville and Jefferson County have handled their capital improvements largely on a pay-as-you-go basis. In your home budget, that would mean saving up till you had every penny to buy a new car or new home ... and then paying cash. This year, bonds will help finance key projects in our 5-year capital improvement plan, including the next phase of MetroSafe, our new community-wide emergency communications and response system.

MY BUDGET CONTINUES to make public safety -- public protection -- our top funding priority -- with \$1 of every 2 operating budget dollars going to police, fire, EMS and the emergency management agency that oversees MetroSafe:

- Our Police Chief, Robert White, has committed our department to community-oriented policing and we have 100 more police officers on the streets of Louisville today than we did 3 years ago. We will begin two new recruit classes to add 50 officers in the year ahead, in addition to the new class of 40 that starts next week. With this budget...in 4 years...we will have invested more than half a billion dollars in our Louisville Metro Police operating budget. More than half a billion dollars.
- This budget begins a long-range multi-million dollar initiative to modernize our Louisville Fire Department. The first phase will replace three of the city's oldest fire stations and upgrade more than half the fleet with new fire trucks over the next 4 years. This budget sets aside \$1.2 million to buy land for the new stations in Clifton, Portland and the Beechmont area and \$1.8 million to accelerate fire-truck replacement. Our goal: the most effective response to 21st century firefighting challenges in our community.
- Quick response is also a key goal of our new EMS operation, which has been making national headlines for its medical, data-driven focus -- on getting lifesaving help to your side in an accident or medical emergency as rapidly as possible. This budget will invest nearly \$500,000 in data collection technology to help us shave life-saving minutes off response time.
- And, finally, MetroSafe, our emergency communications and operations center... will see its new computerized dispatch system go online early this summer. In the next phase of its development this year, renovations will begin at former Federal Reserve Building to receive new equipment and consolidate staff; and we will continue to invest in the radio system that will connect all our community's first responders.

So this budget, this blueprint for our future ... puts a priority on public protection and public safety.

MY BUDGET ALSO INVESTS in keeping Louisville's economy strong... because jobs are the ticket to opportunity for our citizens and to prosperity for our community. The latest UPS expansion -- 5,000 jobs -- comes on top of recent UPS announcements that it would add up to 1,500 jobs... in a year when Humana also announced an 1,100-job expansion and Mercer announced plans to grow by 270 jobs... and on and on.

Those announcements add up to a powerful endorsement of our success in creating a healthy environment for business:

- When you see nearly 12,000 new jobs created with the help of GLI and the state in the past 3 years;

- Almost \$850 million of private investment in salaries, construction and equipment, not counting that UPS \$1 billion;
- When you see 83 fast-growing locally owned businesses honored today as I did this morning at a breakfast for our High Impact Portfolio companies ...

... You know you have the right partnerships in place with our chamber of commerce and the state to deliver economic growth.

I mentioned downtown earlier. Over the past 3 years, more than \$1.6 billion in projects have been built, started or unveiled: hotels like the Marriott and 21 C; offices; cultural attractions like the Frazier International History Museum and the Ali Center. This year we have seen an exciting downtown arena plan move forward ... with the help of the state, U of L, the Kentucky Fair Board, GLI and our city. And we have seen a group of local investors propose a bold, new downtown skyscraper, Museum Plaza, a \$380 million project that would include a contemporary art museum with a distinctive, dynamic design that will transform our city skyline.

Downtown housing is expanding as well -- from high-end condominiums with river views to the new mixed income neighborhood called Liberty Green, rising rapidly east of downtown, where the Clarksdale public housing project once stood... near the medical center...where new construction is also underway.

The pieces of the puzzle are coming together downtown. This budget invests in street and sidewalk improvements to help keep that momentum strong, because we know our investment will pay dividends today and in the future... just as public investment in our waterfront park and Slugger Field ... planning ahead ... more than a decade ago ... helped jumpstart the action we see in our downtown today.

IF YOU HAVE VISITED the Ali Center ... taken your kids to Waterfront Park ... enjoyed a World Rhythms concert at the Kentucky Center ... stopped for a late-night bite at Fourth Street Live... listened to jazz at Glassworks ... joined the crowd at art galleries on First Friday trolley hops ... you know that the chemistry downtown is exciting and that our downtown is being transformed into a true 21st century community crossroads.

I mentioned Waterfront Park a moment ago. This budget includes funding toward the final phase of the park, including the Big 4 pedestrian bridge walkway across the Ohio. My budget also ensures that by the end of next year, you should be able to ride your bike on a path that runs from Waterfront Park along the river west -- 23 miles -- to Farnsley Moreman house. It's the last leg of one of our most important recreational bike paths and part of a 100-mile loop trail that will circle our community.

This budget also funds bike-path projects in Butchertown and Seneca Park ... responding to the growing popularity of recreational bicycling in times when rising gas prices also tempt bike-riders to leave cars at home and pedal to work.

It is no accident that even in tight financial times this budget commits our community to transforming itself into a City of Parks -- adding parkland ...improving existing parks ... and maintaining our community's green space and recreation areas.

As our public-private partnership called City of Parks pursues dozens of projects, including 3,000 new acres of parkland in our suburbs and that 100-mile trail -- a total of nearly \$60 million in park improvements -- this budget also invests in:

- Upgrades to Riverview Park, transforming this under-developed land in the far southwest into a recreation destination.
- It invests in developing River Road as a recreation corridor.

- And it funds dozens of enhancements to existing parks – from ball diamonds to sports fields, from restrooms and playgrounds to repaved parking lots.

As we talk about investments today -- planning today that pays off tomorrow -- I could mention dozens of other projects included in this budget:

- Increased support for our new Youth Opportunities Unlimited Center, a partnership with JCPS, JCC, Kentuckiana Works and others which is helping hundreds of at-risk young people 16 to 21 continue their educations and get jobs.
- Increasing from 6 to 8 the number of community schools that are open to young people in afternoons and evenings.
- City grants to dozens of local nonprofit organizations, including our city's 15 community ministries.

YOU WILL HAVE TIME in the days ahead to reflect on this blueprint for our future...which reflects a vision for our community....that puts public safety first...makes economic development and jobs ... a key priority ... and understands the investments in quality of life that make a city great.

It will take all of us working together to make this vision a reality.

Robert Kennedy, a personal hero of mine, once said: "That which unites us must be stronger than that which divides us. We can concentrate on what unites us and secure the future for all our children," he said, "or we can concentrate on what divides us and fail our duty through argument and resentment and waste."

Let's concentrate on what unites us: commitment to our community -- and not fall victim to resentment and waste.

I met someone the other day who referred to "half-empties" – the people who focus on the flaws and small disappointments around them... who bicker and complain... who always see the negatives... the glass being half-empty... rather than the strengths... excitement...potential... and progress around them – the glass being half full.

In my judgment -- in this most exciting time in my experience in our community -- I see our glass as much more than half-full.

This blueprint is a positive vision for progress in the year ahead -- and for the future of our community.

As it moves off the drawing board, we each will have the opportunity to feel pride -- that working together we have made a difference for our children and our grandchildren ...and for our hometown.